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cars equipped with SNAPPER wire-guided anti-tank rockets, as well as assault guns, mortars, and infantry Rocket launchers.

6. Twelve KOMAR guided missile patrol boats.

7. <sup>IN ADDITION to the ABOVE,</sup> Since mid-1960, the USSR delivered large quantities of conventional weapons to Cuba ranging from small arms to heavy tanks.

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II. Internal situation in Cuba

A. The regime is methodically building its Soviet-style political machine, the United Party of the Socialist Revolution.

1. Castro, Guevara, and others have stated that it is to be formally organized sometime this year--"the Year of Organization."
2. But Castro implied in his 22-23 February speech that there will be no concessions to speed in organizing the party and that it is better to do it well than hurriedly.
3. He gave no timetable, but stated that the formal organization of the party must precede the "Organization of our Socialist State, our first Socialist Constitution."
4. Castro warned administrative officials of the the government and its enterprises not to "pirate" members from the developing party cells; he seemed to be trying to redress the balance

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by veteran Communists around Anibal Escalante-- was sharply attacked for interfering with the administration of the state. Now, it's the party that must be protected against encroachments from the administrators. The party, he said, is the most important thing and its function is to guide and help the administrators, not vice versa.

5. Che Guevara said last fall that the party will have an initial membership of between 50,000 and 60,000. An article by a Cuban leader published in Pravda early this month claims 13,000 members in party cells. ~~Already~~

B. There has been an increase since early this year of resistance activity by small and scattered bands of anti-Castro guerrillas.

1. Most of the guerrilla raids have occurred in the mountains of central Cuba, but in the past three weeks they have spread.
2. The Cuban army is now engaged in another of its periodic attempts to round up and destroy pockets of resistance. It has been unable to succeed in more than two years of sporadic attempts.
3. This resistance activity is more of a harassment than a threat to the regime; Castro's internal

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3  
April 1961  
1961  
non 19%

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security network pervades the whole country--  
and inhibits resistance except by a small  
minority who are poorly equipped, lack communi-  
cation between the various groups.

4. Instances of passive resistance, such as work  
slowdowns, apparently continue, but it is  
difficult to measure the effect.

C. The Cuban economy continues to deteriorate and  
there are no signs of improvement.

down

25% from 1958

Black Market

need  
about \$200 million  
in 63

1. Consumer goods rationing, started a year ago,  
has not assured impartial distribution or ade-  
quate supplies.

a. This is a major irritant among the public,  
but the people are not starving.

2. Even with continuing major economic aid from  
the Bloc, the prospects for significant im-  
provement are dim for the foreseeable future.

a. Present indications are that this year's  
sugar crop--the mainstay of the economy--  
will be even less than last year's poor  
crop of 4.8 million metric tons.

b. Though world sugar prices are now at a  
40-year high (<sup>6.87</sup>~~6.29~~ per pound compared with  
2.4¢ a year ago), Cuba will not benefit

lost  
about  
sold

2

687 2000  
813 74000  
per ton

136

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proportionately.

- Spore posts*
- c. A good portion of Cuban sugar exports will go to the Bloc as barter for goods Cuba must import. We have no information yet on the value given Cuban sugar in figuring the barter arrangements, but doubt that Cuba is doing particularly well.

3. Negotiations were underway much of the time between December and February on Cuban-Bloc trade levels for this year.

- a. Announcements after the signing of 1963 trade protocols with various bloc countries have been vague, generally limited to statements that trade will increase this year and that Cuba's trade deficits will be financed by long-term loans. Communist China's loan to Cuba is to be interest-free with initial payments deferred until 1970, according to the Peiping announcement on 22 February.
- b. Cuba is dependent on the bloc for about 80 percent of its imports, including all petroleum and an increasing proportion of consumer goods.

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4. Cuba's commerce with non-bloc countries continues to shrink.
    - a. Non-bloc shipping to Cuba has fallen off since the crisis to roughly a quarter of what it used to be.
    - b. The Bloc has responded by initiating a new shipping service to Cuba in an effort to fill the gap.
  5. Unless the Bloc is willing to invest even more heavily in Cuba, many of the grandiose developmental plans worked out earlier in the Cuban-Soviet partnership will have to be deferred indefinitely in the interests of simply keeping the country afloat.
- D. The Castro regime continues to emphasize subversion in other Latin American countries.
1. Speeches by leading regime officials since late last fall have shown increasing attention to this theme.
    - a. Venezuela appears the main target; Blas Roca stated specifically on 23 January that Cuba will "give our support, each day in greater proportions, to the Venezuelan people" in their struggle for "liberation from imperialism."

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2. We estimate that at least 1,000 and perhaps as many as 1,500 Latin Americans ~~have~~ received guerrilla training in Cuba last year.
3. Radio broadcasts to Latin America from Cuba have increased in aggressiveness.

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